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**RESPONSE TO SGX QUERY IN RELATION TO THE  
CHANGES AND INTERNAL RESTRUCTURING OF GROUP COMPANIES**

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The Board of Directors (the “**Board**”) of Neo Group Limited (the “**Company**”), and together with its subsidiaries (the “**Group**”), refers to the query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 September 2020 in relation to the changes and internal restructuring of group companies as announced on 23 September 2020, and wishes to announce the following:-

**SGX-ST’s query**

Please provide the net asset values represented by:

- (i) The UM Sale Shares acquired by the Company in the UM Acquisition
- (ii) The Hi-Q Sale Shares acquired by the Company in the Hi-Q Acquisition
- (iii) The interest acquired by Mr. Tan Zhi Qiang, Alvin through the share issuance and allotment of ERs Food Pte. Ltd.

**Company’s response on query**

- (i) The negative net asset value of UM Sale Shares acquired by the Company in the UM Acquisition is approximately S\$1.95 million. The negative net asset value mainly arises from the liabilities payable to wholly-owned subsidiaries of the Company. UM Acquisition is part of the internal restructuring to allow the Company to maintain full control over the operations and corporate direction of UM, and to transfer the frozen meat business in UM to ERs with the new capital injection from Mr. Tan Zhi Qiang, Alvin. Nonetheless, UM will remain focused on its traditional rice dumpling business. As announced on 23 September 2020, a total cash consideration of S\$2.00 was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets attributable to the UM Sale Shares. The UM Acquisition is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.
- (ii) The net asset value of Hi-Q Sale Shares acquired by the Company in the Hi-Q Acquisition is approximately S\$56,000. As announced on 23 September 2020, a total cash consideration of S\$41,468.85 was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets attributable to the Hi-Q Sale Shares. The Hi-Q Acquisition and Hi-Q Share Increase are not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.
- (iii) The net asset value of the equity interest acquired by Mr. Tan Zhi Qiang, Alvin through the share issuance and allotment of ERs Food Pte. Ltd. is approximately S\$28,000. As announced on 23 September 2020, a total consideration of S\$250,000.00 for the share issuance and allotment was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets and potential funding requirements of ERs.



**ON BEHALF OF THE BOARD**

Neo Kah Kiat  
Chairman and Chief Executive Officer  
Neo Group Limited

25 September 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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